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World Chronicle

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JOURNALISTS: Tuyet Nguyen, United Press International
Jon Leyne, the BBC

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INTERNATIONAL LABOUR ORGANISATION (ILO)

Jack Martin, Assistant Director-General of the International Labour Organisation (ILO), discusses the deteriorating world employment situation. The under- and unemployment crisis is not inevitable or irreversible. The main responsibility for achieving higher levels of employment lies with national governments. The ILO works closely with local authorities, employers and employees to improve their working programmes. The current international labour situation has decreased demand on unskilled workers in a large number of countries. Mr. Martin calls on national governments to protect the rights of migrant workers.

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ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is World Chronicle.

There is no doubt that today there are more people out of work than ever before. Unemployment rates are at their highest levels in most of the world since the early 1970s. Creating sufficient opportunities for productive employment and sustainable livelihood is one of the most important and most difficult tasks in any society. To help nations generate new jobs and ensure economic and social stability, the world community has decided to convene a World Summit for Social Development early in 1995.

Our guest today has a special interest in the issues of employment and social development. He is Jack Martin, Assistant Director-General of the International Labour Organisation, or ILO. Joining me to talk with Mr. Martin are Tuyet Nguyen of United Press International and Jon Leyne of the BBC. Mr. Martin, welcome to World Chronicle.

Mr. Martin, for starters, what's the difference between the International Labour Organisation and the International Labour Office? Because we hear both titles.

MARTIN: The International Labour Office is the secretariat of the International Labour Organisation.

LITTLEJOHNS: And the secretariat simply services the organization?

MARTIN: It services the organization.

LITTLEJOHNS: About how many people do you have employed in the organization? Or in the Office, I should say.

MARTIN: In the Office we have about -- and I'm just speaking in very rough figures -- about 1400 officials there.

LITTLEJOHNS: And you're based in Geneva.

MARTIN: And we're based in Geneva, but with offices in various parts of the world.

LITTLEJOHNS: Now, is it not correct that the International Labour Organisation is the only agency, organization, in the United Nations system that includes the private sector on an equal basis to that of the governmental representatives? How did that come about, and how does it work in practice?

MARTIN: Yes, well, the situation is that in the ILO representatives of employers and workers sit with an equal status to that of governments in the ILO's policy-making organs. This came about in 1919, when the ILO was first created in the aftermath of the First World War. It was considered at the time, and it's still considered

today, that meaningful social policy can only be formulated if the representatives of employers and workers are full participants in the policy-making process.

LITTLEJOHNS: But surely they must be all pulling in different directions? Governments perhaps would some of the time be on the side -- and perhaps more often on the side, depending on the political party in power perhaps -- on the side of management? Don't you have a lot of deadlocks?

MARTIN: We have deadlocks. There's a constant effort to reach consensus in the ILO. But where consensus is not possible, when, for instance, international conventions are adopted, then we proceed to a vote.

NGUYEN: Mr. Martin, the ILO has programmes that really appeal to many countries whenever they need to reform their social system or reform economic structures. They don't seem to work all the time, and I wonder whether it is the programmes that you offer that do not fit their desire, or is that the fault of the government, that the problems still exist today?

MARTIN: Well, put it this way: the ILO does not force programmes down any government's throat. The ILO does not have any precooked package of programmes to give to governments. Our aim is to work with governments, to provide them with information on what works in some countries and what doesn't seem to work in others, but the actual programmes are, of course, the decision of the governments themselves.

NGUYEN: Well, let me ask you, in some of those situations -- let's say there's a strike, and the ILO has conventions dealing with working conditions, and other possibilities to help workers in all fields. When things don't work, they go on strike, what is the role of the ILO in that case? Do you step in, or do you just stand on the side and advise the government and not the unions or the workers themselves?

MARTIN: No, the ILO has rarely, if ever, to my knowledge, been called in to settle a strike. What the ILO does advise on is what are the appropriate procedures, appropriate mechanisms to settle industrial disputes.

NGUYEN: But don't you help directly the workers at all?

MARTIN: Of course we help the workers. We help the workers just as we help the employers. We are at the service of all our membership. But we don't actually help the workers to organize a strike. We help the workers to understand what their rights are, and we help to make sure that those rights are respected in national legislation and in practice.

LITTLEJOHNS: Do you have a bias in favour of the workers?

MARTIN: I wouldn't say -- it's difficult to answer that question. There is, I suppose, a natural bias in favour of the workers built into the ILO, into the ILO's

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procedures, but it isn't so much a question of whether we, ILO officials, have a bias. It's really a question of us bringing together the social partners to bargain collectively, as it were, on major international social issues.

LEYNE: I wanted to pick out this word, "worker's rights". It's my understanding that one of the main functions of your organization is to underline minimum standards of worker's rights, conditions of employment, things like the right to join a trade union. Am I right?

MARTIN: Correct, yes.

LEYNE: Well, is it not the feeling in many parts of the world now that precisely those sort of things, though they may be good in the abstract, are actually harming employment prospects? And another of your functions is to increase employment? Is there not a clash between those two ideals?

MARTIN: I do not think there needs to be a clash between these two ideals. The fact that workers have certain rights does not mean to say that that in itself becomes an obstacle to employment; it certainly doesn't have to be. Because, after all, we're not just interested in the creation of any sort of employment. Employment that is carried out in exploitative conditions in which people do not have the right to organize or the right to a decent minimum income, that sort of employment does not interest us.

LEYNE: But you mentioned, for instance, a minimum income. I mean, this is a critical debate that goes on in many countries of the world, where the free market economists argue that the minimum wage obstructs employment; if you take away the minimum wage, okay, people don't earn very much to start with, but they get in on the ladder. Aren't you rather the old way, old fashioned in your ideas of a very regulated labour market? Precisely ideas that people are moving away from now.

MARTIN: Well, I don't think that there's anything necessarily old fashioned about minimum wages. Because, after all, many countries in the world still have minimum wage legislation. It isn't -- it really depends a lot on the level at which minimum wages are fixed, and so on, and the way in which they're applied. I think, when you look at minimum wages, I think you have to look at more than just the cost of minimum wages, you also have to think about what minimum wages do to productivity, and so on. Workers that are assured of a certain basic minimum are more likely to be productive than those that are not.

LEYNE: But what I'm saying is isn't the whole basis upon which your organization is based that of a regulated market? After all, if there's no regulation, you're not needed; therefore you're inevitably justifying a system of regulation which many people don't believe in nowadays.

MARTIN: If the labour market were not to be regulated at all, then indeed, the ILO would not be needed. But surely the labour market, like any other market, needs to have certain basic regulations. We're not going back to the law of the jungle. We are now in the last part of the 20th century, during which a lot of social gains have been made, thanks to, I don't think necessarily to the ILO, but thanks to a good deal of social legislation.

LITTLEJOHNS: Mr. Martin, when the North American Free Trade Agreement was being negotiated, there were a lot of arguments about the problems that could arise if industry fled south of the border where the minimum wage -- since we were talking about minimum wage a moment ago -- was much lower. Did the ILO offer any advice, or is it in a position to deal with that kind of problem?

MARTIN: No, the ILO, to my knowledge, was not specifically asked for advice on this particular issue in the North American Free Trade Association. But a burning issue in the ILO these days is the broader issue of what is known as the social clause. The inclusion of a social clause in the international --

LITTLEJOHNS: What is the social clause?

MARTIN: The social clause would be the inclusion in an international multilateral trade agreement of a clause guaranteeing workers certain basic rights as a condition for access to foreign markets.

NGUYEN: What about wages? Is that going to be mentioned in those international trade agreements also?

MARTIN: No, we're -- there is no such thing as a social clause yet. But even the most outspoken protagonists of a social clause are not advocating that there should be a universal minimum wage.

NGUYEN: What about the problems dealing with advancement for women and the elderly and indigenous people? You are pretty much involved in that also, but we don't see much really going on in those areas except from time to time the United Nations has a big conference, and after the conference everything goes back to normal, meaning no progress. I wonder what the ILO is doing, because the area of indigenous people is probably your unique area in which you have programmes. Are you pushing for more reforms in the governments to carry out the social help to those people?

MARTIN: The ILO is the only organization in the United Nations system which has adopted an international convention on the rights of indigenous people. It was adopted fairly recently. And that convention, which was established after some very hard negotiations in the International Labour Conference, guarantees indigenous people certain rights within national societies and within their own societies.

LITTLEJOHNS: Preference in employment, for example?

MARTIN: Not necessarily preference in employment, but I think more the rights within their own communities, as it were, and respect for their local traditions and cultures, and so on, within the national society.

LEYNE: I was interested, too, that your organization seems to be trying to help prevent great migrations of people searching employment, particularly -- this has been relevant with the exodus of boat people from Cuba. How do you think -- those are mainly economic factors causing that sort of departure of people, as from Haiti, indeed. What can be done to prevent that? Is there anything that a country like the United States can do to prevent that sort of search for better employment conditions and better pay?

MARTIN: Well, no, indeed, the only way we are going to slow down the pressure or to reduce the pressure for emigration is to create jobs in the home countries, so that people don't have to emigrate in search of employment. The ILO is not trying to slow down emigration, what the ILO is trying to say is that when workers are admitted into a country, then they have certain basic rights comparable to the rights of national workers in the country. Like equal rights to social security, for instance, or rights to join trade unions in the same way as any other. But those are the legal immigrants. What concerns us most are the illegal immigrants, who went to a country illegally, who find work and tend to be grossly exploited, but who have absolutely no rights.

LEYNE: But I understood also you are trying to help alleviate the factors which cause this great pressure for migration. We see it here with the pressure, for instance, from Mexico to the United States, and it's a growing problem in southern Europe, with African nationals wanting to come across the Mediterranean to the much, much better, richer economies. Is there any prospect in the long term of balancing out those factors?

MARTIN: Oh, in the long term I think there is, but in the long term it's all a question of development, isn't it? It's all a question of those countries, the countries of emigration, developing sufficiently well and providing enough jobs to their own people, productive, sufficiently remunerative jobs that they don't have to emigrate. In the long term, there certainly is. But we have to deal with an immediate problem of the pressure for emigration. There is -- well, we are trying to promote, in the Mediterranean area, for instance, cooperation between the countries of the north of the Mediterranean and countries of the south to invest in creating activities in the latter, in countries of the south.

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Mr. Martin, the Social Summit to which we've referred and which is taking place in Copenhagen in March is going to have as one of the top questions under discussion the problem world-wide, more or less, of unemployment. It seems to me that unemployment is not exactly helped by this rash of downsizing in the developed countries. When IBM downsizes -- in other words, fires or declares redundant or has buybacks, as they call them, buyouts, as they call them, for a large number of staff -- what happens the following day is that IBM stock rises on Wall Street. And this is a phenomenon which is very common in the developed world. What does ILO think about this kind of thing, which seems to concentrate on reducing jobs instead of moving toward full employment?

MARTIN: Well, that's a very complex question. But let me first of all begin by saying that at no time has the ILO ever suggested that a corporation, whether it be IBM or anyone else, should have on its staff more workers than it requires. The fact that in the present day context large corporations do have to downsize is due to the changing market conditions which make that necessary. This is, I'm afraid, a fact of life with which we have to live. So the ILO's attitude is not to try and prevent that from happening, because that would be quite suicidal and in the long run would make no contribution to employment whatever; the ILO's position is that workers who are affected by this downsizing should have certain rights. Well, first of all, they must have the right to certain severance pay, to certain periods of notice. But then, what we wish to emphasize is that it is then for the public authorities to provide the possibilities for the workers affected to gain new skills, to provide them with facilities to search for new jobs, and to provide them with a certain income security during the period of unemployment.

LITTLEJOHNS: One right they lose sooner or later, in the United States at any rate, is health insurance. Has ILO any position on that?

MARTIN: I'm not too sure about health insurance in the United States. It is true that we would not normally like health insurance to be linked to employment.

NGUYEN: In one of the studies you prepared for the world summit that Michael just mentioned, you said the current unemployment is due to the under-utilized economic potentials. I wonder if you can give some example where those under-utilized potentials are, and any countries that really do not use those potentials for the full benefit of helping the workers.

which, if it were better distributed, would make it possible for more workers to be employed and to produce more.

NGUYEN: But those problems exist only in the developing world, not in rich countries.

MARTIN: Well, no, in rich countries I think the market is able to cope with the situation much better. If there's under-utilized capacity it's because there's no demand for the -- or not enough demand for the goods that the enterprise is producing.

NGUYEN: So actually ILO programmes are applied to, let's say, developing countries.

MARTIN: The ILO is concerned with unemployment anywhere in the world. We have direct programmes of direct assistance to developing countries. We certainly don't claim to wish to provide assistance to the United States or the United Kingdom. Although we do provide assistance, however, to the countries in transition in Eastern Europe, to build up their labour market programmes, to build up their social security schemes, and so on.

NGUYEN: So I wonder if those developed countries that really make all the contributions to ILO need your programmes. Would there be -- would it be better for them to go directly to those countries and help them instead of going through the ILO?

MARTIN: Well, the ILO has the advantage, I would have thought anyhow, of not having any particular axe to grind. If a country like, say, the United States or Germany goes to a developing country, which they do, of course, and provide assistance to them -- and more and more power to them, why shouldn't they? -- all that they can provide them with is the experience of their country. What the ILO can provide is a world-wide view of what works and what doesn't work, and how things might be adapted to the conditions of a particular country.

LEYNE: But on this issue of unemployment, we had this employment summit here in the United States convened by President Clinton, I believe it was this year early or last year, when a fundamental divide emerged, that here in the United States you have an economy where the wages have not gone up and unemployment has been kept down, whereas in Europe you have economies where wages have carried on growing and unemployment has carried on growing as well. You must be caught in the middle between this, aren't you?

MARTIN: Well, one is indeed, one is completely caught in the middle, and there's no answer to this one. But you see, both -- you have to look, too, at the sorts of jobs that are being created in the United States. As you say, they have lower unemployment rates in the United States than in Europe, but the gap between the high

MARTIN: Well, one is indeed, one is completely caught in the middle, and there's no answer to this one. But you see, both -- you have to look, too, at the sorts of jobs that are being created in the United States. As you say, they have lower unemployment rates in the United States than in Europe, but the gap between the high paid and the low paid workers is much greater in the United States than it is in Europe. The Europeans on the whole, most Europeans anyhow, prefer to provide their workers with certain protections, which do indeed raise the cost of labour, but which does raise the level of unemployment. It is an issue that has to be decided by each country.

LEYNE: But as an organization, which do you prefer? Can't sit on the fence, can you?

MARTIN: Yes, well, no, I think we have to -- I'm not sure in any case that the question has to be put in such a stark way as this. I think you have to look at the causes of the present employment crisis in North American and Western Europe. And of course it's basically the same. You're looking at two sides of the same coin, really. And the same coin is this, is that the present technological change and the present globalization of the economy is resulting in a much lower demand for unskilled workers. And it's the unskilled worker whose wages are going down in the United States, and which are being artificially kept up in Europe.

NGUYEN: And that creates more unemployment.

MARTIN: And it does create -- well, it creates more unemployment in Europe and less in the United States, as Mr. Leyne said. But the real issue is how to raise the quality of jobs, to raise the quality of your labour force so that they're better equipped to adapt to a rapidly changing, a very rapidly changing economic environment.

LEYNE: But if you're raising the quality of people's jobs and their wages and their conditions of employment and so forth, aren't you ending up with a very inequitable system actually, whereby a few people have a few very nice jobs and a lot of other people are unemployed? So that in fact such a system that may on the outset appear to be more equal is in fact less equal than an American system where, okay, there's a bigger wage differential but everybody's got a job of some kind?

MARTIN: That is not necessarily the case. The thing is that one has to think in terms of jobs these days as not being necessarily a regular job that is being performed in the same firm throughout one's life. People have --

LITTLEJOHNS: The Japanese pattern.

MARTIN: The Japanese pattern.

LITTLEJOHNS: Although the Japanese are changing that, I believe.

be employed in smaller industries. Because it's in the small enterprises really where in today's world the scope for job creation is probably the greatest.

LITTLEJOHNS: What about the --

LEYNE: But those are the ones that are hit hardest, aren't they, with the highest amount of regulation? Surely the small family business or whatever is the one that wants to be utterly deregulated, so that they can just employ sixteen-year-old son as he comes on the labour market for a very small income, and then, you know, be flexible.

MARTIN: Yes, I'm sure they do. But national legislation is there to prevent abuses of that sort. But small firms can also be profitable while still providing their workers with decent, reasonably decent conditions.

NGUYEN: What about a shorter work week? Would it help unemployment at all?

MARTIN: That is a good question and a very controversial one. There is indeed some evidence that in certain conditions by shortening the work week you can indeed create jobs. Or at least in our experiences, or the results of our research are that these measures are more effective at preserving jobs rather than creating new ones.

LEYNE: But surely they create the jobs or preserve the jobs within that one country, but then the other country outside in this global economy that has a longer working week is going to have lower costs and is going to take the jobs, isn't it?

MARTIN: Not necessarily, not necessarily. That depends on wages, it depends on non-labour costs and so on. If workers -- the main point that I think one has to stress here is that it is very difficult for a country -- a country should think very carefully before legislating about this. It's much better to leave it to the workers and the employers to negotiate deals like this. Workers are quite prepared -- and there have been many examples of this, the famous Volkswagen agreement in Germany, for instance -- workers are quite prepared to negotiate a deal whereby they work perhaps shorter hours in a week in order that fewer jobs -- that more jobs are saved.

LITTLEJOHNS: What about cutting back on overtime and hiring more people? Does ILO prefer that? I read the other day, for example, that in the city of New York $45 million is going to be spent on overtime for what they call in this country corrections officers at Rikers Island, the biggest jail around here, in order to avoid hiring more people. Surely $45 million would give jobs to quite a number of people.

MARTIN: It probably would. This is a matter for -- I would have thought for the unions to negotiate with management, whether this would be the right thing to do.

LITTLEJOHNS: And ILO doesn't have any position on that?

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LITTLEJOHNS: And ILO doesn't have any position on that?

MARTIN: I think it's difficult for us to take a position on this. This is something really for -- this is really a basic to the ILO's work altogether. Things like this should be negotiated between employers and workers --

LITTLEJOHNS: But the management/labour components of ILO surely must be able to make an input on problems like that.

MARTIN: Yes, indeed, but they probably have different points of view. And now the ILO's position is that these things are to be negotiated between workers and management.

NGUYEN: Can you tell in general whether the workers' unions are now stronger or weaker than, let's say, 10 years ago?

MARTIN: Oh, I wouldn't want to pass a value -- pass a judgement on that. I think if you look at the -- it is true that in terms of union membership they are, you might say, weakened. In many countries there has been a steady decline in union membership over the years.

LEYNE: And is the pendulum going to swing back sometime?

MARTIN: That, I think, depends on the unions. I think the unions have to adapt to a new situation, and they're well aware of it. They have to adapt to a situation in which more and more workers -- fewer and fewer workers are going to be employed in the large corporations where they are best able to organize workers, and they have to think about how to organize them elsewhere.

LITTLEJOHNS: The ILO, of course, will be playing a major part in the summit conference in Copenhagen, and unemployment will be the thing that you'll be addressing to the greatest extent, I presume.

MARTIN: That is the issue which concerns the ILO most directly. But we're also concerned about the quality of employment and not just the volume of employment.

LITTLEJOHNS: Mr. Martin, that's all the time we have. Thank you for being with us on this edition of World Chronicle. Our guest has been Jack Martin, Assistant Director-General of the International Labour Organisation. He was interviewed by Tuyet Nguyen of United Press International and Jon Leyne of the BBC. I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of World Chronicle.

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